

January 15, 2008

Dear County or City Official:

Subject: Instructions for Receipt of Proposition 1B-Local Streets and Roads Improvement, Congestion Relief, and Traffic Safety Account Funds.

Proposition 1B (Prop 1B) provided \$19.925 billion in bond funds for a variety of transportation priorities, including \$2 billion for cities and counties to fund the maintenance and improvement of local transportation facilities. The 2007 Budget Act and Chapter 181, Statutes of 2007 (SB 88), appropriate a total of \$950 million of these Prop 1B funds in 2007-08. Of this amount, Chapter 314, Statutes of 2007 (AB 196), specifies that \$550 million be allocated to cities and \$400 million be allocated to counties. The share that your city or county is allocated is determined by the State Controller's Office (SCO), with county shares being calculated based on the number of registered vehicles and the number miles of road in the county, and the county and city being calculated based on population, except that each city is to get a minimum of \$400,000. In order to receive these funds, counties and cities must first submit a plan to the Department of Finance (Finance), and Finance will notify the SCO which counties and cities have met this reporting requirement at least monthly.

This letter is first being distributed in an e-mail to all cities and counties using contact lists provided by the California State Association of Counties and the League of California Cities. With this letter are several attachments. Attachments I and II are lists from the SCO showing the amount that each county and city will receive from the \$950 million appropriated in 2007-08. Attachment III is a spreadsheet with five tabs for reporting to Finance. Specified information from all county and city plans is to be entered into these spreadsheets and returned to Finance electronically. The first tab includes a set of instructions for entering the data into the other spreadsheets. There is a tab for general information and separate tabs for each entity to reflect its planned use of these funds for maintenance, minor projects, and major projects. This spreadsheet will also be available on Finance's website, [www.dof.ca.gov](http://www.dof.ca.gov), in the event that there are any counties and cities that do not receive the initial e-mails. However, all plans must still be submitted electronically by e-mailing the completed spreadsheet to Finance.

To receive funds, each county board of supervisors or city council must approve a plan for use of the amount of funds available in 2007-08 for the county or city as determined by the SCO. After the date of this action has been entered into the appropriate place in the spreadsheet, and all the information required about the plan has been entered in the designated places in the spreadsheet, the submitting official must change the name of the file to reflect the county or city that is submitting the plan, and then must e-mail this spreadsheet as an attachment to Finance at: [Prop1B\\_LSR@dof.ca.gov](mailto:Prop1B_LSR@dof.ca.gov). Finance will review each plan for completeness, and will then notify the SCO which completed plans are received. We cannot accept hard copy versions or altered spreadsheets as the data submitted by local entities will eventually be uploaded to a standardized display on the state bond accountability website.

While subdivision (l) of Section 8879.23 of the Government Code (Prop 1B) provides for the funds to be used for a broad range of purposes, the purposes are not unlimited and are also subject to relevant provisions of general state bond law incorporated by reference in Prop 1B. Finance will not review plans for legal uses or provide advice as to the legality of specific uses of these funds. If you have questions about specific uses of funds, we suggest you seek advice of counsel.

At the end of each fiscal year, we anticipate e-mailing a new spreadsheet to every county and city to reflect any updates to the plans, report on progress, and provide new plans for the use of any new Prop 1B funds provided in the most recent Budget Act. Counties and cities will be required to submit these spreadsheets with updated and new plans electronically to the e-mail address noted above. We may also provide updated direction regarding this program periodically throughout the year. We ask that updated plans be submitted only once a year, since we are not staffed to be able to review more than one update per year.

SB 88 and AB 196 provide that counties and cities must provide Finance with the following:

1. A list of projects expected to be funded with bond funds pursuant to an adopted local budget.
2. A description and location of each project.
3. The amount spent on each project.
4. The completion date of each project.
5. The useful life of each project.

Additionally, the Governor has directed state departments, including Finance, to be accountable to the public for bond fund uses through Executive Order S-02-07, and further directed Finance to provide additional information in his signing message for SB 88. Based on this direction and SB 88, we are providing the following guidance for purposes of reporting to Finance:

- Maintenance activities can be combined together into one or more categories for purposes of project reporting. The categories that are optional to report are displayed on Attachment III. In addition to the dollar amount of the grant to be spent on maintenance, we are requesting that recipients provide information on the impact of the bond funds on backlogs in lane miles and dollars, and on balances of funding for maintenance in the road fund.
- Minor projects, each with a total cost of less than \$400,000, can be combined into one project for purposes of reporting.
- Projects exceeding \$400,000 in total cost must be separately reported.
- While not statutorily required, we are requesting bond fund recipients to provide project budget and schedule information as well as expected project benefits with the list of projects as shown in Attachment III.
- Agencies are required to report annually on project completions and project status as shown on Attachment III.

The accuracy and completeness of information provided to Finance is the responsibility of each agency and is subject to audit. Agencies not reporting requested information or submitting reports in which the information appears to be in error will be contacted by Finance staff and asked to correct or complete the information. Minimum required information must be accurately entered on the spreadsheet in order to receive funds. Once a plan has been approved, all information reported, including requested information that is not required to obtain funds, will be

posted on the state's bond accountability website. Since a standardized display will be used, any information not submitted will be identifiable. All agencies are requested to provide a website or e-mail address where citizens can get additional information or ask questions about individual projects or plans. It may be possible in the future to accommodate local entities that wish to post maps, pictures or more text than can be initially accepted. Once your initial project information has been received and approved as to form by Finance staff, we will transmit that information to the SCO so that your grant disbursement can be made. The minimum information to receive approval for payment is shown on Attachment III.

Please note the following when completing the reporting format:

- Please limit descriptions to no more than 25 words. (Fields will automatically adjust to the size of the text.)
- Please remember that the purpose of submitting the plans in this electronic format is so that they can be easily understood by the public who will be using the state's bond accountability website. Please make sure that plans and descriptions read in a clear and understandable way.
- Please do not attempt to change any of the fields or formats in any way. The sheets are designed to feed into a data base that requires the existing formatting parameters.

The SCO has indicated that it intends to make payments once a month to any entities which have submitted plans within the previous month. Please provide payment advice directly to SCO at:

Bill Byall  
State Controller's Office  
PO Box 942850  
Sacramento, CA 94250  
(916) 323-0740

If you have questions or need additional information or assistance please call Jim Parks or Mark Tollefson at (916) 322-2263 for technical help with the spreadsheet, or Mark Monroe, Principal Program Budget Analyst at the same number for program help. For information on payments at the SCO, please call Bill Byall at the number shown above. Thank you for your participation in this program, we look forward to seeing your efforts on the ground very soon.

MICHAEL C. GENEST  
Director  
By:

/s/ Vincent P. Brown

VINCENT P. BROWN  
Chief Deputy Director

Attachment

cc: Jim Bourgart, Deputy Secretary of Transportation & Infrastructure, Business  
Transportation & Housing Agency  
Kelly Martel, Local Apportionments, State Controller's Office